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Diana T Fritz 02/05/2007 03:59:54 PM From DB/Inbox: Search Results

Cable  
Text:

UNCLAS ABU DHABI 04293

SIPDIS  
CXABU:

ACTION: ECON  
INFO: ICE FCS LEGAT P/M AMB DCM POL

DISSEMINATION: ECON  
CHARGE: PROG

APPROVED: DCM: RAALBRIGHT  
DRAFTED: ECON: OBJOHN  
CLEARED: NONE

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ZNR UUUUU ZZH  
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TO RUEHC/SECSTATE WASHDC 6966  
INFO RUEHMK/AMEMBASSY MANAMA 1058  
RUEATRS/DEPT OF TREASURY WASH DC

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SIPDIS

STATE FOR NEA/ARP, S/CT, INL/ENT, EB/ESC  
TREASURY FOR ZARATE, GLASER AND FINCEN FOR BAITY  
MANAMA FOR BEAL

E.O. 12958: NA  
TAGS: [EFIN](#) [ETTC](#) [PTER](#) [ECON](#) [TC](#)  
SUBJECT: UAE CENTRAL BANK HOSTS USA PATRIOT ACT SEMINAR

¶1. SUMMARY: FINCEN Deputy Director William Baity spoke at the UAE Central Bank's November 28 Seminar on the USA Patriot Act in front of an audience of about 200 people, including UAEG officials and private sector bankers and lawyers. Central Bank Governor Al-Suwaidi asked Baity if FINCEN would help organize another FIU training session, similar to the training session for South Asian nations that the Central Bank and FINCEN co-hosted in June 2004. They agreed to have FINCEN and Central Bank Anti Money Laundering and Suspicious Cases Unit staff discuss the details of the proposed training. End Summary.

¶2. On November 28, The UAE Central Bank hosted a seminar for about 200 people on the impact of the USA Patriot Act on Banking and Investment Business. The audience included UAE Central Bank officials, representatives from the UAE Ministries of Foreign Affairs, Justice, and Interior, and the Federal Customs Service. There was also a strong private sector turn out of bankers and lawyers who were interested in the topic.

¶3. The U.S. law firm of Patton Boggs, under contract from the Central Bank, conducted the seminar. FINCEN Deputy Director Baity spoke at the conference in response to an invitation extended by Central Bank Governor Al-Suwaidi to Treasury A/S Zarate for the U.S. Treasury Department to provide a speaker. Central Bank Governor Al-Suwaidi opened the conference by noting that the UAE is a major regional financial center, processing 53 percent of all received SWIFT messages and 40 percent of all sent SWIFT messages for the region (Note: SWIFT is an interbank credit-transfer system). For this reason, it was important for banks in the UAE (and in the wider Gulf region) to understand the impact of the USA Patriot Act. There was active audience interest

in the act's impact on banks and financial institutions in the region. The tone of some of the questions reflected some regional defensiveness. For example, some audience members asked whether the U.S. viewed the Middle East as the main source of terrorist financing and whether the USA Patriot Act targeted Arab/Muslin world. Panel members explained that post September 11 investigations did look at the flow of funds from the Middle East, but that the focus of the USG's anti money laundering efforts was worldwide. Audience members also looked for more guidance on how to apply "know your customer rules" and on when to report suspicious transactions. Baity stressed that the financial institutions needed to undertake their due diligence and to know both their customers and the market in order to understand what transactions might be suspicious.

¶4. Central Bank Governor Al-Suwaidi also asked Baity for assistance in setting up a follow-on training program to the successful June 2004 seminar for South Asian FIUs. The target for this training session would be GCC states and/or a broader Arab audience. Baity stressed that any training session needed to target countries at about the same level of anti-money laundering/terrorist financing development. They agreed that the Central Bank would discuss details with FINCEN's regional desk officer.

¶5. Comment: The UAE Central Bank continues to play a leading role in providing training on anti-money laundering and terrorist financing issues. It also looks to the USG as a partner in this effort. Baity's participation as a speaker was very useful in maintaining and improving this relationship. End Comment.

¶6. Deputy Director Baity has cleared this cable.

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